

## Avoid revocation with simple procedures

A company's authorization to conduct business in Arkansas can be revoked for failing to meet certain requirements of Arkansas law. Revocation endangers a corporation's corporate protections and bars them from many corporate activities.

The most common cause of a corporation not being in good standing or being revoked is failure to pay franchise tax and file an annual report. Revocation can be reversed and the company returned to good standing by paying back franchise taxes with penalties and interest and updating the appropriate tax forms.

Failure to maintain a registered agent also can result in revocation of an entity's corporate charter. The agent of service must list a physical Arkansas address with the Secretary of State's office. If the business chooses to list another entity rather than an individual as the registered agent, that entity

must be on file and in good standing with the Secretary of State's office.

The company can return to good standing by filing its registered agent with the Business and Commercial Services Division.

The Business and Commercial Services Division will mail notices in September to companies that have not yet paid their 2006 franchise tax, reminding them to do so as soon as possible. Businesses that did not meet the May 1 franchise tax deadline have been listed in "not current" status since that date. If the tax and annual report have not been filed by December 31, the businesses will be listed in "revoked" status.

The Secretary of State's office mailed almost 98,000 forms for annual reports this year, with almost 81,000 businesses filing by the deadline.

*(See REVOCATION on page 2)*

## Profile of a Service: Searching Corporate Records

The Records Section of Business and Commercial Services is responsible for maintaining and searching records for businesses.

Available records include name reservations, articles of incorporation or organization, amendments, fictitious names, changes of registered agent, mergers, withdrawals or dissolutions.

Many of the research requests the Records Section receives involve older corporations whose records are not on the current computer system. In order to provide these records, staff must search card files and/or pull documents from the office's off-site storage facility. This manual research often takes longer than the 24-48 hour turnaround time available for most computerized records.

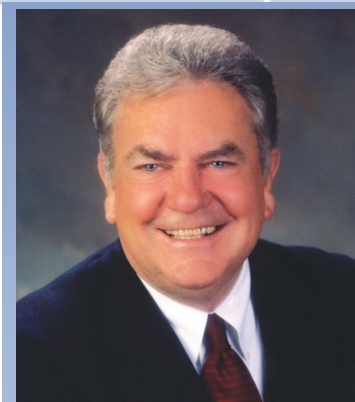
Records can be requested by mail, electronically — fax, email or phone — or in

person. Payment is required in advance, so the Secretary of State's office recommends that customers make contact before visiting the office, so staff can inform them of total charges. Records can be either mailed to the customer, or picked up at the office.

Copies are 50 cents per page, with a \$5 fee for certified documents. There is a minimum \$2.50 charge for documents provided by mail.

Having valid information in the request for searches — correct names, file dates or file numbers — helps streamline the search process. An incorrect name or other information broadens the search and slows processing time.

For more information on records searches, or to request a document, contact the Business and Commercial Services Division at 501-682-3409 or 888-233-0325.



*Secretary of State Charlie Daniels*

As we start a new fiscal year, I want to thank the business community for the overwhelming response we have received to "Arkansas, Inc."

I always felt it would be beneficial to keep the citizens of Arkansas in tune to news that affects those doing business in Arkansas. After collaborating with my staff, "Arkansas, Inc." came into existence almost 18 months ago. The calls, e-mails, letters and face-to-face compliments about the publication since that time have been an affirmation of the concept.

I am elated to know this publication has fostered first-hand communication on current information to Arkansas businesses.

If you have business concerns that you would like to have answered, please feel free to contact my staff by emailing [corporations@sos.arkansas.gov](mailto:corporations@sos.arkansas.gov) or calling 501-682-3409 or toll-free at 888-233-0325.

Again, many thanks for your interest and comments in helping us keep the Arkansas business community informed.

## Business and Commercial Services

# FAQ Frequently Asked Questions

**Q. I need to renew my notary commission. Can this be done online?**

**A.** No. The necessary form can be downloaded online and sent to this office for processing.

**Q. Our status says our company is not current. What does this mean?**

**A.** Companies enter a "not current" status after May 1 if all tax requirements are not met. After December 31, the company's status is changed to "revoked" until all franchise tax forms and fees are received.

**Q. Can a company not in good standing be reinstated?**

**A.** Yes. All the back franchise taxes and reports must be paid and filed with our office. These taxes can be paid online, or the necessary forms may be downloaded from our website.

**Q. What is the quickest method of getting a revoked company back in good standing?**

**A.** A company can be back in good standing as quickly as the next day. Paying taxes online or dropping by our office to pay are the quickest ways.

**Q. Can I pay my franchise taxes over the phone?**

**A.** No, but payment can be made on our website, [www.sos.arkansas.gov](http://www.sos.arkansas.gov), with a credit card.

**Q. Do I need to let your office know if my company has moved?**

**A.** Yes. This is most important if the tax contact and registered agent's addresses are changing. A tax contact address is a free filing. A registered agent's change must be filed with our office. The form is available on our website.

**Q. If I file online, how soon will my filing show on your website?**

**A.** In most cases, if the filing is submitted prior to 3 p.m., it will be processed that day and appear on our website the next business day.

**Q. I filed my articles with your office and have not received my documents. Can I get a new set?**

**A.** Any company that has not received its articles is urged to contact this office 30 days after initial filing. The articles may have been returned by the post office for various reasons.

Have a question? Email us: [Business and Commercial Services at corporations@sos.arkansas.gov](mailto:Business and Commercial Services at corporations@sos.arkansas.gov)

## Free copies of business guide are available

The Secretary of State's office recently introduced *Doing Business in Arkansas*, a guide to establishing an Arkansas business entity. This booklet has been well-received across the

state and is available to the public at no charge. To obtain copies of *Doing Business in Arkansas*, call 501-682-3409 or 888-233-0325, or email [corporations@sos.arkansas.gov](mailto:corporations@sos.arkansas.gov).

### REVOCATION, continued from page 1

Of funds received from the franchise tax, the first \$8 million is deposited into the state's General Fund, with all additional monies apportioned to the Arkansas Educational Adequacy Trust Fund. At the end of the 2006 fiscal year June 30, \$xx million had been deposited into that fund, and franchise taxes are still being processed.

"We're pleased with the response so far and hope the number of corporate revocations will drop significantly this year," Secretary of State Charlie Daniels said.

## Certificates required to be in good standing

A foreign corporation (one established in another state or another country) must submit a certificate of good standing from its home state when applying to conduct business in Arkansas. If this document is not submitted, the corporation is not in compliance with Arkansas requirements. The home state's certificate of good standing can be mailed or faxed to the Secretary of State's Business and Commercial Services Division.

**Need a speaker  
for your next meeting?**  
Contact  
**Secretary of State  
Business and Commercial  
Services**  
**(501) 682-3409**

## New filing tips for UCC

The Uniform Commercial Code Division of the Secretary of State's Office recently changed processing software. This change has added some extra functionality for the users. However, you will note that due to amendments to the UCC code and changes in technology, there are some new filings tips, which are as follows:

- Information requests may not be made on UCC 1 initial filing forms.
- Amendments and Assignments may not be requested together.
- Multiple Amendments, such as Continuations and Assignments, should be made on separate forms. Each action requires a \$6 fee.

# NOTARY CORNER



The last Notary Corner described the powers that are granted to notaries public by Arkansas law. This issue will describe the limitations that the law places on notaries and the possible consequences if they choose to participate in these prohibited acts.

These actions include criminal activity and behavior that may result in the revocation of a notary's commission. The following portions of Arkansas law details unlawful and/or prohibited acts.

A.C.A. 21-14-111 states the following:

(a) It is unlawful for any notary public to witness any signature on any instrument unless the notary public either:

(1) Witnesses the signing of the instrument and personally knows the signer or is presented proof of the identity of the signer; or

(2) Recognizes the signature of the signer by virtue of familiarity with the signature.

(b) Any notary public violating this section shall be guilty of a Class

A misdemeanor. For purposes of this section, "personally knows" means having an acquaintance, derived from association with the individual, which establishes the individual's identity with at least a reasonable certainty. In addition to the above, it is also unlawful for any notary public to take an acknowledgment of an instrument executed by or to a bank or other corporation of which the notary is a stockholder, director, officer, or employee where the notary public is a party to the instrument, either individually or as a representative of the corporation.

Arkansas law also sets out various acts that may result in the denial or revocation of a notary commission.

These offenses can be divided into two categories. Three of the offenses must be determined by a court of law while the Secretary of State can determine the other three.

These offenses are: 1) submitting false or misleading information on a notary public application; 2) being convicted of official misconduct under the provisions of A.C.A. § 21-14-111 (see previous paragraph); 3) knowingly using misleading advertisement which represents that the notary has powers, duties, rights, or privileges that the notary does not possess by law; 4) being found by a court of this state to have

engaged in the unauthorized practice of law; 5) being found by a court to have improperly notarized documents according to the law; or 6) failing to complete the requirements of the law under § 21-14-101.

Examples of these requirements include the filing of a \$7,500 surety bond or contract and the signing and filing the statutorily prescribed oath.

If the Secretary of State determines the notary public's commission should be revoked, the notary will be notified of the decision. The notary public shall immediately send or have delivered to the Secretary of State:

(1) The notary public's journal of notarial acts;

(2) All other papers and copies relating to the notary's notarial acts; and

(3) The notary public's official seal.

Upon notification the notary public has the right to appeal the decision of the Secretary of State to the Pulaski County Circuit Court.

As one can see, the unlawful and prohibited acts and actions of a notary public are detailed in the law and are straightforward.

For more information on this subject or copies of previous Notary Corners please call 501-682-3012.

## BCS developing streamlined processes for Certified Public Accountants

In our efforts to make the services offered by the Secretary of State's Business and Commercial Services Division more accessible and easier to use, we have worked closely with CPAs over the past three years and encouraged feedback from them on their experiences with our office.

Through June of 2006 online franchise tax filing increased by 15 percent over the previous year. CPA use of batch

filings accounted for a good portion of this increase.

Franchise tax batch filing allows users to build an online profile that can contain multiple tax payers. These entries may be filed simultaneously and the information saved for use in the following year. This saves the CPA hours spent filling out forms for individual filers and gets the taxes filed more quickly.

The Secretary of State's Office is currently working with the Information Network of Arkansas and CPAs to improve existing tax services, including a diversification of collection methods of franchise taxes for CPAs and application changes to streamline data input.

Late taxes may be filed online at [www.sos.arkansas.gov](http://www.sos.arkansas.gov).



## BCS staff offers free notary education seminars across state again

Notary seminars are held the second Wednesday of each month at the BCS offices in Little Rock, at 9 a.m. and 1 p.m. Staff will travel around the state from August through October, presenting free public seminars in the following locations.

August 9	Little Rock
August 15	Hope
August 16	Lonoke
August 17	Eureka Springs
August 22	Malvern
August 23	Magnolia
August 24	Ash Flat
August 25	Van Buren
August 29	Searcy
August 31	Texarkana
September 1	Crossett
September 6	Helena
September 7	Clarksville

September 8	Harrison
September 12	Pocahontas
September 13	Little Rock
September 14	Benton
September 15	Mountain Home
September 20	Jonesboro
September 21	Fort Smith
September 22	Conway
September 25	Mountain View
September 27	Hot Springs
September 28	Pine Bluff
October 3	Blytheville
October 4	Batesville
October 5	Mena
October 6	Arkadelphia
October 10	Wynne
October 11	Little Rock
October 12	Rogers

October 13	Sheridan
October 16	DeQueen
October 17	Fayetteville
October 18	Russellville
October 20	Heber Springs

Staff will also conduct sessions on-location by request for groups of 10 or more.

There is no charge for the seminar, but pre-registration is required.

The seminars have proven informative to both new and long-time notaries.

Please call our office at 501-682-5165, 501-682-5282, or 888-233-0325 to register or to schedule an on-site seminar. You may also register and request information by emailing [ben.tate@sos.arkansas.gov](mailto:ben.tate@sos.arkansas.gov) or [shira.kelley@sos.arkansas.gov](mailto:shira.kelley@sos.arkansas.gov).



**Secretary of State  
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